

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Audit Profile							
Country	China						
Factory name	07001513B						
IEM	BV-CPS (SH)						
Date of audit	2-4 Jun, 2003						
PC(s)	NIKE, Inc.						
Number of workers	1150						
Product(s)	Sportswear						
Production processes	Sewing, cutting, packing, ironing						
Other brands in factory							
	Findings					Remediation	
FLA Code/ Compliance issue	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
1. Code Awareness							
2. Child Labor							
3. Forced Labor							
4. Harassment or Abuse							
5. Nondiscrimination							
6. Health and Safety							
Fire Safety	Country Law: According to Article 10.2.6 of the Fire Prevention Standard for Building Design (new revision of GBJ 16-87): All units shall provide emergency lights for evacuation passages, exits and stairwells. FLA Benchmark, Health and Safety: All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	No emergency lighting was found in the stairwells and above 1 exit of sewing section (X Dept.). And no emergency lighting was found in the stairwells in the dormitory.	Nil	Nil	Factory had installed emergency light in the stairwells in the sewing section and the dormitory.	Already completed.	See photo: Emergency Light
Fire Safety	Country Law: According to Article 14.6 of the Fire Prevention Law of the People's Republic of China: Governmental departments, social organizations, enterprises and institutions shall make sure that the evacuation passages and fire exits remain unblocked and set up fire evacuation signs that meet state regulations. FLA Benchmark, Health and Safety: All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	There was no evacuation plot plan throughout the dormitory.	Nil	Nil	Evacuation plot plan has been set up and posted out in the dormitory.	Already completed.	See photo: Evacuation Plan
Fire Safety	Country Law: According to Article 14.5 of Fire Prevention Law of the People's Republic of China: In accordance with relevant state regulations, governmental departments, social organizations, enterprises and institutions shall have fire control facilities and equipment, set up fire control and safety signs and organize regular inspections and repair to ensure that these facilities and equipment are kept in good and effective conditions. FLA Benchmark, Health and Safety: All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	No fire alarm was found throughout the dormitory.	Nil	Nil	Fire alarm has been installed in the dormitory	Already completed.	See photo: Fire Alarm

FLA Code/ Compliance issue	Findings		Documentation	Best Practice	Remediation		
	Benchmark or legal reference	Monitor's Findings			PC remediation plan	Completion Date	Documentation
Fire Safety	Country Law: According to Article 5.3.1 of the Fire Prevention Standard for Building Design (new revision of GBJ 16-87): The number of fire exits for public buildings and residential buildings with corridors shall not be less than 2. But, if the following requirements are met, there may be only 1: buildings with a fire-resistant degree of 1 and 2, 2~3 floors, a maximum building area of 200m2 for each floor and a total number of people on the 2nd and 3rd floors that is less than 100; buildings with a fire-resistant degree of 2 and 3, 2~3 floors, a maximum building area of 200m2 for each floor and a total number of people on the 2nd and 3rd floors that is less than 50. FLA Benchmark, Health and Safety: All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	There was only 1 exit in the dormitory of male.	Nil	Nil	An additional exit is under constructing right now, and will be finished on August 13.	Already completed.	See photos: Male Dorm
Safety Equipment	Country Law: According to Article 31 of Factory Safety and Health Rules: First aid kits shall be available in working places. FLA Benchmark, Health and Safety: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	No first aid kit was found throughout the dormitory.	Nil	Nil	First aid kit has been put in place in the dormitory.	Already completed.	See photo: First Aid Kit
PPE	Country Law: According to Article 74.1 of Factory Safety and Health Rules : For operations that are easy to cause burn, scalding or mechanical trauma, a factory should provide its workers with working clothes or aprons and, according to needs, provide protection articles, including helmets, gauze masks, gloves, leg guards and shoe covers. FLA Benchmark, Health and Safety: Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	The workers didn't wear the steel-meshed gloves when handling cutting machine in the cutting section (Y Dept.).	Nil	Nil	Factory purchased PPE and instructed all employees to wear it. Workers were wearing steel-meshed gloves when they were cutting.	Already completed.	See Photo: PPE Gloves
Other	FLA Benchmark, Health and Safety: Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	Recommendation: There wasn't a current local fire permit posted in the factory.	Nil	Nil	Factory is not clear on the definition of the fire permit as the local fire protection bureau said they do not issue that kind of permit. Factory can only provide the local government-issued certification for fire prevention management.		See attachment: Fire Permit
7. Freedom of Association and Collective Bargaining							
8. Wages and Benefits							

FLA Code/ Compliance issue		Findings		Remediation				
		Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
9. Hours of Work								
Poor record-keeping		FLA Benchmark Hours of Work: Time worked by all the employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording system such as electronic swipe cards.	The factory didn't provide attendance records of May-Dec, 2002 of all workers in (Y Dept.) for review. The factory explained that all workers' attendance records of May-Dec, 2002 (Y Dept.) were lost.	payrolls and time cards records	Nil	Because of the department internal alteration, the workers' electrical attendance records were lost. Factory can provide electrical time in/out attendance records starting 2003 up to present. Factory has committed to keeping all the attendance records for at least 1 year from now on.		Copy of electrical time in/out attendance records of this year up to present were provided. See attachment: NYG timecard. zip
Other		Country Law: According to Article 41 of the Labor Law of the People's Republic of China: Under the precondition that the physical health of laborers is ensured, overtime shall not exceed 3 hours a day and 36 hours in a month. FLA Benchmarks Hours of Work: Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	No violation observed ; REMARK : From workers' interview finding, (some) workers said that their overtime hours were from 4 to 4.5 hours per day in Jun and Jul, 2002. Out of those (some) workers were worked in the sewing section (Y Dept). and few workers was worked in the ironing section (Y Dept). However, records did not reveal this.	time cards	Nil	This item is not included in the report FLA (monitor) wrote to factory on site in their closing meeting. Factory denied OT of 4-4.5hrs/day in last Jun&July. NIKE has reviewed the general attendance records of June and July 2002. There was no evidence of OT of 4-4.5hrs/day. In addition, (some) workers were interviewed by Nike auditor, some from ironing section and others from sewing section. There was no mention from the interviewed workers of OT of 4-4.5hrs/day during June and July 2002.		
10. Overtime Compensation								
Incorrect wage rate for OT		Country Code: According to Article 44 of the Labor Law of the People's Republic of China : In any of the following cases, employing units shall pay laborers wages higher than their wages during the normal working time according to the following standards: (1) Payment of a wage remuneration of no less than 150% of the wages, if the extended working time of laborers is assigned; (2) Payment of a wage remuneration of no less than 200% of the wages, if the laborers are made to work during rest days and cannot make up the lost rest; (3) Payment of a wage remuneration of no less than 300% of the wages, if the laborers are made to work on statutory holidays. FLA Benchmarks Hours of Work: The factory shall comply with applicable law for premium rates for overtime compensation	Some workers weren't paid normal overtime wage (only RMB 0.5/ hour was paid) in Jan, 2003. This violated PRC Labor Law : Article 44 which states 150% of normal wage shall be paid for all normal extended working time.	payrolls and time cards of Jan, 2003	Nil	Back pay was issued to workers amounting to RMB247.4 in June 2003.	Jun-03	Copy of back pay notice. provided. See attachment: Back Pay Notice